

Assistant Deputy Services Officer

13 July 1949

Chief, Fiscal Branch

Sale of Sideband Selectors to Department of Navy

1. Reference is made to memorandum of 6 July 1949, subject as above, in which you raise a question as to the legality of the sale of sideband selectors and ask information as to the desired evidence of shipment.

2. This Agency is not vested with the powers to dispose of surplus equipment by sale, such equipment to be handled in accordance with the terms of the Surplus Property Act of 1944. If, however, the equipment in question is needed by the Navy Department and can be released with the understanding that it is to be replaced in kind at a later date, the sale would be valid. In this connection, it is noted the Navy proposes to pay for the selectors from 1949 funds which, of course, cannot be used by this Agency to effect replacement as we will be required to use 1950 funds. Accordingly, while the amount involved is small, the transaction would result in an unnecessary expenditure of 1950 CIA funds. This factor should be weighed against the advantages that might ensue in selling the equipment to the Navy.

3. In the event a sale is made, this office should be furnished the request of the Navy Department, and information from your office as to when the equipment was shipped, in order that the Department may be billed by use of Standard Form 1080.

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